

**DEPARTMENT OF CONSERVATION****DIVISION OF OIL, GAS AND GEOTHERMAL RESOURCES**

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Public Works Department

July 24, 2012

Ron Santos
City of Lake Forest
25550 Commercentre Drive, Suite 100
Lake Forest, CA 92630

Dear Mr. Santos:

NOTICE OF PREPARATION (NOP) FOR THE PORTOLA CENTER PROJECT – SCH# 2012061063

The Department of Conservation's Division of Oil, Gas, and Geothermal Resources (Division), Cypress office, has reviewed the above referenced project. Our comments are as follows:

The proposed project is located within the administrative boundaries of Orange County. There is one well near the west, southwestern boundary of your proposed project. The well belonged to Era Oil Co. Lease name "Glenn Ranch" well # 2 (059-00974) is a plugged and abandoned oil/gas well. NAD 83 lat/long is 33.670789/-117.639341. This well is located on Division map W1-4 and in Division records.

The Division is mandated by Section 3106 of the Public Resources Code (PRC) to supervise the drilling, operation, maintenance, and plugging and abandonment of wells for the purpose of preventing: (1) damage to life, health, property, and natural resources; (2) damage to underground and surface waters suitable for irrigation or domestic use; (3) loss of oil, gas, or reservoir energy; and (4) damage to oil and gas deposits by infiltrating water and other causes. Furthermore, the PRC vests in the State Oil and Gas Supervisor (Supervisor) the authority to regulate the manner of drilling, operation, maintenance, and abandonment of oil and gas wells so as to conserve, protect, and prevent waste of these resources, while at the same time encouraging operators to apply viable methods for the purpose of increasing the ultimate recovery of oil and gas.

The scope and content of information that is germane to the Division's responsibility are contained in Section 3000 et seq. of the Public Resources Code (PRC), and administrative regulations under Title 14, Division 2, Chapter 4 of the California Code of Regulations.

Mr. Ron Santos

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If any structure is to be located over or in the proximity of a previously plugged and abandoned well, the well may need to be plugged to current Division specifications. Section 3208.1 of the Public Resources Code (PRC) authorizes the State Oil and Gas Supervisor (Supervisor) to order the reabandonment of any previously plugged and abandoned well when construction of any structure over or in the proximity of the well could result in a hazard.

An operator must have a bond on file with the Division before certain well operations are allowed to begin. The purpose of the bond is to secure the state against all losses, charges, and expenses incurred by it to obtain such compliance by the principal named in the bond. The operator must also designate an agent, residing in the state, to receive and accept service of all orders, notices, and processes of the Supervisor or any court of law.

Written approval from the Supervisor is required prior to changing the physical condition of any well. The operator's notice of intent (notice) to perform any well operation is reviewed on engineering and geological basis. For new wells and the altering of existing wells, approval of the proposal depends primarily on the following: protecting all subsurface hydrocarbons and fresh waters; protection of the environment; using adequate blowout prevention equipment; and utilizing approved drilling and cementing techniques.

The Division must be notified to witness or inspect all operations specified in the approval of any notice. This includes tests and inspections of blowout-prevention equipment, reservoir and freshwater protection measures, and well-plugging operations.

The Division recommends that adequate safety measures be taken by the project manager to prevent people from gaining unauthorized access to oilfield equipment. Safety shut-down devices on wells and other oilfield equipment must be considered when appropriate.

If any plugged and abandoned or unrecorded wells are damaged or uncovered during excavation or grading, remedial plugging operations may be required. If such damage or discovery occurs, the Division's Cypress district office must be contacted to obtain information on the requirements for and approval to perform remedial operations.

Sincerely,



Syndi Pompa

Associate Oil & Gas Engineer - Facilities